

## Opportunity for All: Supporting African American Families

**A Roadmap for Growth, Opportunity, and Fiscal Responsibility:** The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

**Builds on Bipartisan Progress:** The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

### WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
  - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
  - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
  - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
  - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
  - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
  - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
  - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
  - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
  - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
  - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
  - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to support and create opportunity for African American families, including:

### **EQUIPPING EVERY AMERICAN WITH A HIGH-QUALITY EDUCATION**

**Enhancing Access to High-Quality Early Childhood Education.** To build a foundation for success in the formative early years of life, the Budget increases access to high-quality early childhood education.

- Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support the child's health, development, and ability to learn.
- Pays for these initiatives by raising Federal tobacco taxes, which will also help discourage youth smoking and save lives.
- Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Makes a substantial commitment to both maintain the number of children served by the Child Care Development Fund and improve the quality of care, with sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

**Continuing to Improve K-12 Education.** The Budget builds on efforts to improve K-12 education with new initiatives.

- Launches a new Race to the Top for Equity and Opportunity competition centered on increasing the academic performance of high-need students and closing the achievement gap, to address the recent findings of the Equity and Excellence Commission and troubling statistics such as the fact that in 2013, not a single black student took the computer science AP exam in 11 states.
- Creates a new, competitive program to redesign high schools to focus on providing students with challenging, relevant learning experiences, and reward high schools that develop new partnerships with colleges, employers, and other partners to enhance instruction and help develop the knowledge and skills students need for success in today's economy, with additional funding in the Opportunity, Growth, and Security Initiative.
- Provides 100,000 teachers in 500 districts with access to professional development to help them make effective use of new broadband connectivity, in part through further investments in the Opportunity, Growth, and Security Initiative, as the Administration works to achieve the President's goal of connecting 99 percent of American students to the digital age through broadband and wireless in schools and libraries.
- Improves the impact of the Federal investment in science, technology, engineering, and mathematics (STEM) education by creating a fresh framework for delivering STEM education, supporting what works, and reducing fragmentation.

**Making a High-Quality College Education More Affordable.** The Budget helps make college more affordable by continuing our commitment to Pell Grants, providing bonuses to colleges that improve educational outcomes for Pell Grant recipients, supporting the development and refinement of a new college ratings system supporting State-driven reforms to improve the performance of higher education institutions, and expanding income-driven repayment options to help student borrowers better manage their loan debt.

**Supports Minority Serving Institutions and College Access for Minority Youth.** The Budget provides \$75 million for College Success Grants to support sustainable strategies to reduce costs and improve student outcomes at Minority Serving Institutions, including Historically Black Colleges and Universities and Hispanic Serving Institutions. The Budget also sustains funding for GEAR UP and TRIO to help provide support services for students from disadvantaged backgrounds to prepare for, enroll, and complete postsecondary education.

## **PROMOTING INNOVATIVE, JOB-DRIVEN APPROACHES TO TRAINING AND EMPLOYMENT SERVICES**

**Investing in Training and Employment Services.** The Budget invests more than \$3 billion in formula grants to States and localities to provide training and employment services to more than 20 million Americans at 2,500 American Job Centers across the country. The Budget also invests in driving innovation and performance at the State and local level through the Workforce Innovation Fund and through revamped WIA incentive grants, to reward States that succeed in serving workers with the greatest barriers to employment. The Opportunity, Growth, and Security Initiative would add another \$750 million to restore prior cuts to formula grants; increase the investment in innovation, evidence-based practices, and performance in the workforce system; and provide additional funding for programs that serve populations with significant barriers to employment.

**Creating New Pathways to Jobs and Careers.** The Budget includes \$1.5 billion in the Opportunity, Growth, and Security Initiative to fund the first year of a four-year Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers. \$500 million of each year's funding will be set aside for grants to States and regional consortia to create new apprenticeships and increase participation in existing apprenticeship programs. This four-year investment would support doubling the number of apprenticeships in America over the next five years. The Budget also invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

**Helping the Long-Term Unemployed Transition Back to Work.** As we work to strengthen and rebuild our economy from the worst economic downturn since the Great Depression, it is critical to provide a helping hand and a path back to work for those whose lives have been disrupted by unemployment. The Budget invests \$158 million in reemployment and eligibility assessments and reemployment services to speed the return to work of Unemployment Insurance (UI) beneficiaries; provides \$2 billion in mandatory funding to encourage States to adopt Bridge to Work programs, which would allow individuals to continue receiving their weekly UI check while participating in a short-term work placement, and support other strategies for getting UI claimants back to work more

quickly. And, building upon the Department of Labor's Ready to Work grants, the Budget provides \$4 billion in mandatory funding to support partnerships between businesses and education and training providers to train approximately one million long-term unemployed workers for new jobs.

**Supporting Work Opportunities for Low-Income Parents.** The Budget proposes to redirect \$602 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This approach has proven in recent years to be an effective strategy for getting disadvantaged adults back into the workforce, and the Budget proposes to build on that success.

## **PROVIDING ASSISTANCE TO VULNERABLE POPULATIONS AND INVESTING IN THE HARDEST-HIT COMMUNITIES**

**Preventing Hunger.** The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation's nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. In addition to supporting SNAP, the Budget also invests \$30 million to support summer electronic benefit pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

**Supporting Healthy Eating.** The Budget supports the ongoing implementation of the Healthy, Hunger-Free Kids Act of 2010 with an increased investment of \$35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. The Budget provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the food package that will improve consumption of nutritious foods that are important to healthy child development. The Budget also provides \$35 million in grants for the Administration's Healthy Food Financing Initiative to increase the availability of affordable, healthy food options in underserved communities, through the Department of the Treasury's Community Development Financial Institutions Fund, and \$13 million in a newly authorized Healthy Food Financing Initiative through USDA, which results in a Government-wide 50 percent funding increase above the 2014 enacted level.

**Supporting Affordable Rental Housing for 4.5 Million Families.** The Budget includes \$20 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans. The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.3 billion over the 2014 enacted level. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also

supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

**Continuing Progress Toward Ending Homelessness.** The Budget provides \$2.4 billion for Homeless Assistance Grants, \$0.3 billion above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains over 330,000 HUD-funded beds that assist the homeless nationwide. In addition, under the Housing Choice Voucher program, the Budget proposes \$75 million to expand assistance under the VA Supportive Housing (HUD-VASH) program to 10,000 homeless veterans. Supported by the collection of robust data and using best practices from across the country, this evidence-based investment will continue to make progress towards two of the President's homelessness goals – ending Veterans homelessness by 2015 and ending chronic homelessness by 2016. Between 2010 and 2013, homelessness among Veterans declined by 24 percent (reducing the total number of homeless veterans by almost 18,000), and the total number of individuals experiencing chronic homelessness on a single night declined nearly 16 percent.

**Partnering With Communities to Expand Opportunity.** The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

**Building Ladders of Opportunity for Boys and Young Men.** The President recently launched *My Brother's Keeper* – a new initiative to help every boy and young man of color who is willing to do the hard work to get ahead. An interagency task force will evaluate what public and private efforts are already working, how to expand upon what works, and how the Federal Government's own policies and programs can better support these efforts. The My Brother's Keeper initiative will also leverage participation from philanthropies, the business community, and elected officials to support this cross-sector effort.

## **INVESTING IN PUBLIC SAFETY AND CRIMINAL JUSTICE REFORM**

**Supporting President's "Now is the Time" Initiative.** The Budget supports the "Now is the Time" initiative, the President's plan to protect our children and communities by reducing gun violence through additional background checks, inspections of Federally-licensed firearms dealers, improved tracing and ballistics analysis, and efforts to keep guns out of the hands of dangerous criminals. The Budget provides training for State and local law enforcement to prevent and respond to active shooters and prevent mass casualties, and continues the Comprehensive School Safety Program and other initiatives to enhance school security. The Budget also invests in programs to identify mental health issues early and refer those in need to help.

**Reforming Our Criminal Justice System with the “Smart on Crime” Initiative.** Last summer, the Attorney General introduced the "Smart on Crime" initiative, which is designed to promote fundamental reforms to the criminal justice system that will improve public safety, save money, and ensure the fair enforcement of Federal laws. The Budget supports the initiative’s strategy of containing incarceration costs over the long term by reducing recidivism rates and encouraging Federal prosecutors to seek sentences in certain low-level drug cases that maintain the highest degree of public safety and consider the long-term incarceration costs to the taxpayer.

**Making Targeted Investments in State and Local Justice Assistance Grants and Supporting Youth.** The Budget, through the Opportunity, Growth, and Security Initiative, includes a new youth investment initiative that will incentivize State efforts to increase the availability of alternatives to incarceration, reenroll youth back into school after confinement, and reduce ethnic and racial disparities in the juvenile justice system. The Opportunity, Growth and Security Initiative also would provide resources for bringing newly completed or acquired Federal prisons online. In addition, the Budget provides \$80 million for Department of Labor programs that provide employment-centered services to adult and youth ex-offenders and at-risk youth. These programs reduce recidivism by providing counseling, job training, drug treatment, and other transitional assistance to former prisoners as they reintegrate into the job market and community life.

## **ENSURING ACCESS TO QUALITY, AFFORDABLE HEALTH**

**Implementing the Affordable Care Act.** Efficiently and effectively implementing the Affordable Care Act (ACA) is one of the Administration’s highest priorities. The Budget fully funds the ongoing implementation of the ACA, which is already providing coverage for millions of Americans that previously did not have access to affordable health care. The Budget continues to support implementation of the ACA’s health insurance coverage improvements through the operation of Health Insurance Marketplaces and the delivery of premium tax credits and cost sharing assistance to help make coverage affordable, drive down long-term health care costs, and improve care for millions of citizens.

**Increasing Access to Health Care Providers in High-Need Communities.** The Budget supports the training of new primary care practitioners, and other physicians in high-need specialties. The Budget proposes \$5.23 billion over ten years to support training 13,000 new residents through a new competitive graduate medical education program that incentivizes high-quality physician training. In 2015, this new program includes \$100 million in mandatory funding to support pediatric training in children's hospitals. The Budget also encourages provider participation in Medicaid, by extending increased payments for primary care services through 2015, with modifications to expand provider eligibility to additional primary care providers and better target primary care services. The Budget also invests \$3.95 billion over the next six years to scale up the National Health Services Corps to place 15,000 health care providers in the areas of the country that need them most, a net increase of 6,000 health care providers compared to the current field strength of the program.

**Maintaining Affordable, High-Quality Primary and Preventive Care.** Across the country, 1,200 health centers serve as a high quality dependable source of primary care services. The Budget invests \$4.6 billion in the Health Centers program in 2015 and \$8.1 billion in new resources over the following three years help to provide primary care services for an estimated 31 million patients.

## SUPPORTING MINORITY BUSINESSES

**Supporting Minority Businesses.** The Budget includes \$28 million for the Minority Business Development Agency (MBDA) to provide counseling, training, and technical assistance to minority business owners. These services will help these business owners create jobs, improve local economies, and expand into global markets.

**Spurring Economic Growth and Job Creation by Providing Access to Capital.** To encourage economic growth and job creation, the Budget supports \$17.5 billion in loan guarantees, which support more than 45,000 loans to help small businesses operate and grow; \$7.5 billion in guaranteed lending under the 504 Certified Development Company (CDC) program to finance more than 10,000 loans to small businesses for commercial real estate development and heavy machinery purchases; and \$25 million in direct microloans to assist more than 500 small businesses in getting started and expanding.

Additionally, the Budget supports \$4 billion guarantees for the Small Business Investment Company (SBIC) program at no cost to the taxpayer, to enable SBICs to continue to invest in high-growth and impact-oriented small businesses that create jobs and strengthen communities, as well as to support early financing of innovative startups via the Impact Investment Fund and the Early Stage Innovation Fund. Within these funds as well as in the Opportunity, Growth, and Security Initiative, the Budget also includes an emphasis on supporting lending to young and innovative U.S. manufacturing firms to enable their scale-up to a full commercial production facility.

The Budget also provides \$1.5 billion for a second round of Treasury's successful State Small Business Credit Initiative (SSBCI) in order to support State-sponsored public-private partnerships to increase lending, investment, and technical assistance to small businesses and manufacturers. SSBCI is already achieving results: the first \$271 million in program expenditures supported lending and investments of \$1.9 billion to more than 4,600 small businesses across the country—creating or saving more than 53,000 American jobs.

**Combatting Financial Fraud and Promoting Innovation.** Ensuring honest and fair competition and protecting the rights and property of citizens are paramount to our economy and American competitiveness. The Budget maintains support to investigate and prosecute financial and mortgage fraud, and counter intellectual property crimes.

## PROVIDING SECURITY FOR AMERICAN WORKERS AND RETIREES

**Expanding the EITC for Childless Workers.** Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and lowers the age limit from 25 to 21, as a way to support and reward work. The proposal also updates the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). The proposed EITC expansion will benefit 13.5 million workers, including 2.0 million African-American workers. These changes will be paid for by closing high-income tax loopholes.

**Expanding the Child and Dependent Care Tax Credit for Children Under Age 5.** In recognition of the higher costs of quality day care for infants and small children, the Budget proposes to expand the Child and Dependent Care Tax Credit. In addition to the current credit, taxpayers with up to two children under age 5 would be eligible for an additional credit on total expenses up to \$4,000 per child.

**Raising the Minimum Wage to \$10.10.** Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. No one who works full time should have to raise his or her family in poverty. The Administration supports raising the minimum wages so that hard-working Americans can earn wages that allow them to support their families and make ends meet. The Administration is ready to work with the Congress to pass legislation to increase the minimum wage as soon as possible. The President has already led by example by signing an Executive Order to raise the minimum wage to \$10.10 for individuals working under certain new and replacement Federal service, construction, and concession contracts.

**Ensuring Workers Receive the Pay and Overtime They Earned.** The Budget increases support for the Department of Labor (DOL)'s Wage and Hour Division to increase enforcement of the laws that ensure that workers receive appropriate wages and overtime pay, as well as the right to take job-protected leave for family and medical purposes. The Wage and Hour Division will be able to hire 300 new investigators across the country to help in this effort, and will use risk-based approaches to target the industries and employers most likely to break the law.

**Protecting Civil Rights.** The Budget supports activities at the Department of Justice to ensure the protection of civil rights, including enforcing Federal prohibitions against racial and ethnic discrimination. In addition, the Budget provides resources to prevent and remedy discrimination in the workplace by maintain strong support for the Equal Opportunity Commission and the Department of Labor's Office of Federal Contract Compliance Programs.

**Encouraging State Paid Leave Initiatives.** Too many American workers must make the painful choice between the care of their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, but more States should have the chance to follow their example. The Budget supports a \$5 million State Paid Leave Fund to provide technical assistance and support to States that are considering paid leave programs. The Opportunity, Growth, and Security Initiative provides an additional \$100 million in support of this effort.

**Improving Retirement Security.** Workers must have a place to invest their hard-earned savings that provides an appropriate balance of risk and return. Many private sector providers do not offer retirement savings options tailored to smaller balance savers. Our retirement system should help these potential savers and encourage them to begin building their retirement security. The Budget supports the President's proposal to create a new simple, safe, and affordable "starter" retirement savings account (myRA) that will be available through employers and help millions of Americans save for retirement. The Budget continues to propose automatic enrollment in IRAs (or "auto-IRAs") for employees without access to a workplace savings plan.

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